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NSC BRIEFING

6 October 1954

SITUATION IN VIETNAM

- I. Elements favoring and opposing Diem government still approximately in balance.
  - A. Bao Dai telegram (1 October) directed Diem to give cabinet posts to opponents, led by Generals Hinh, Xuan, and Vien.
  - B. Hinh, as chief of staff, holds threat of armed coup over Diem, although whole army's loyalty to Hinh uncertain.
  - C. Vien is self-styled "general," leader of Binh Xuyen gangster organization which supplies large part of Bao Dai's income.
  - D. General Xuan represents no one; like Hinh, he is French citizen and officer in French Army.

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- E. This group met with Diem  
(evening, 4 October), demanded  
virtual surrender government  
authority to themselves.
- II. On preceding day, however, Bao Dai told  
Amb. Heath that he backed Diem, doubted  
Xuan's loyalty, and preferred that Hinh  
not be given cabinet post, but remain  
chief of staff.
  - A. Said conflict between these  
views and those in 1 October  
telegram due "drafting error."
  - B. Bao Dai made no reference to  
Binh Xuyen; he may still count  
on this strong-arm outfit as  
instrument of his political  
strength.
- III. French agreement in Washington to back  
Diem improves his prospects, provided  
French fulfill promise.

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- A. Ely's deputy, Daridan, is strongly anti-Diem: professes to believe US interested only in keeping Diem as powerless figurehead.
  - B. Our embassy in Paris reports strong pressure on French government to appease Viet Minh.
  - C. But Mendes-France on 3 October, after reiterating French misgivings as to Diem's ability, told Secretary Dulles he would give premier "good try."
- IV. Even if opponents simmer down, Diem still faces protracted fight.
- A. Can't count on loyalty politico-military groups.
  - B. Must control army before stable government possible.

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- C. Must build political party.
- D. Representation of Cao Dai and Hoa Hao in government since 24 Sept. is help, but Diem needs other strength to balance such self-seeking groups.
- V. While government in South unable gain feet, Viet Minh undertaking extensive army reorganization. 25X1C8b
  - A. [REDACTED]  
by year's end, 10 or 11 infantry, two artillery divisions.
  - B. This virtually double pre-truce divisional strength of 6 infantry, 1 artillery.
  - C. Aim is to develop modern army of greater fire power, capable of large-scale operations.
  - D. Chinese aid, illegal under Geneva agreement, making build-up possible. 4

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- E. Already, shipments since truce have resulted in 50 percent increase in artillery weapons; have included mortars, recoil-less rifles for five infantry divisions. On 28 September, 155mm artillery reportedly moved by rail near border city of Lang Son.
- F. Viet Minh, failing victory at polls in 1956, could employ forces for rapid military conquest.
- VII. Another Viet Minh activity: establishment of "repentance camp," near Hanoi.
  - A. This for purification of former civil servants and so-called intellectuals desiring Viet Minh's "pardon."

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- B. These bourgeoisie will examine their consciences, accuse themselves of past faults, prepare to become citizens of "new democracy."

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